

# INDOSUEZ FUNDS - AMERICA OPPORTUNITIES

MAY 2016

NAV	Class P	USD	29.12
	Class NL	USD	104.31
	Class C	USD	96.69
AUM	USD 310.6 million		

## INVESTMENT OBJECTIVE

The Fund aims at delivering a long term yield and/or capital gain by investing principally in shares of US companies.

## Risk profile:



**Launch:** January 5, 2010

**Legal:** SICAV - UCITS

**Domicile:** Luxembourg

**Management company:**  
CA Indosuez Wealth (Asset Management)

**Liquidity:** Daily

**Orders:** D-1 @ 14:00 (CET)

**Payment:** D+3

**Minimum:** 1 share

**Recommended investment horizon:**  
Minimum 5 years

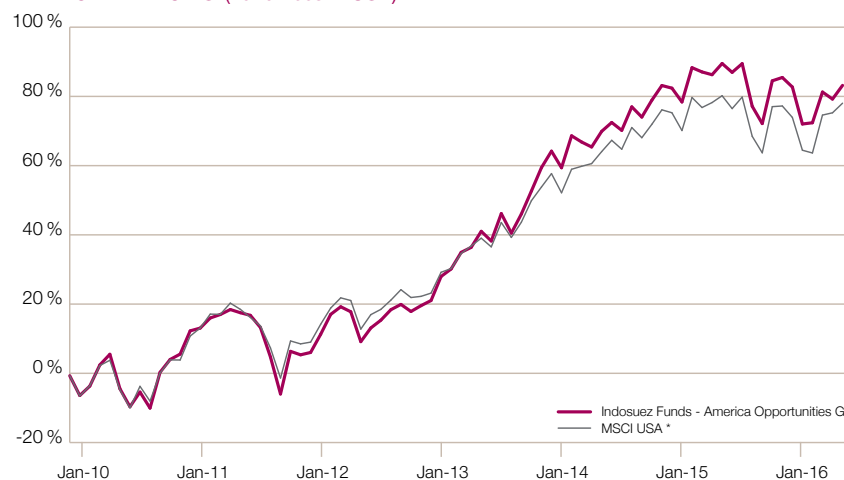
PORTFOLIO CHARACTERISTICS	
Price / Earnings Ratio	19.18
Yield	1.44
Number of positions	63
Equity exposure	100%

SECTOR BREAKDOWN	Fund	Index
Energy	6.21%	6.95%
Materials	1.67%	2.98%
Industrials	10.11%	9.58%
Consumer discretionary	16.98%	13.30%
Consumer staples	9.36%	9.98%
Healthcare	11.13%	14.68%
Financials	15.19%	16.23%
IT	28.44%	20.39%
Telecom services	0.00%	2.66%
Utilities	0.90%	3.25%

PERIOD	1 MONTH	2016	1 YEAR	3 YEARS	5 YEARS
Class P	2.14%	-0.14%	-4.12%	-	-
Class NL	2.02%	-0.54%	-4.71%	-	-
Class C	2.08%	-0.26%	-	-	-
Index	1.57%	2.35%	-1.19%	27.91%	49.97%

performances are using the track-record of LIS Equity America Fund absorbed by Indosuez Funds

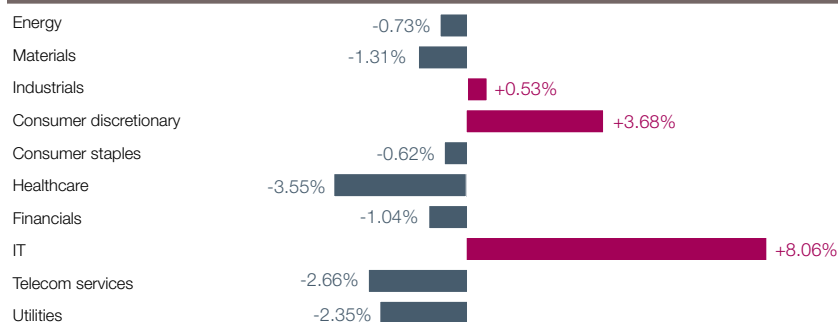
## PERFORMANCES (net of fees in USD)



\* Prior July 1<sup>st</sup>, 2013. MSCI North America was the reference index of the Fund.

TOP 10	Fund
1. FACEBOOK	5.07%
2. ALPHABET INC-CL A	4.08%
3. HOME DEPOT	3.84%
4. FISERV	3.60%
5. TJX	3.51%
6. VISA	3.45%
7. NVIDIA	3.36%
8. JPMORGAN CHASE & CO	2.74%
9. MASTERCARD	2.55%
10. CVS HEALTH	2.50%

## SECTOR BREAKDOWN: SPREAD RELATIVE TO BENCHMARK



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## MANAGER'S COMMENT

The MSCI USA was up 1.57% in May and ended the month less than 3% from its all-time high. The US market was vigorous and surprised most investors. Yet, company results are deteriorating and the Fed is preparing the market for the next interest rate increase.

With regard to companies, the reporting season for the first quarter of 2016 ended with a fall of more than 2% in turnover while profits fell 8%. The markets had nevertheless largely expected these poor results. Note that analysts expect improving results for the second half of the year and, according to the consensus, profit growth in 2016 should be around 1.3%.

The rebound that analysts anticipate is consistent with the Fed's macroeconomic views, since it indicates that the economy seems to be gathering pace after a sluggish start to the year, as shown by the annualised GDP growth rate of +0.8 % for the first quarter. Janet Yellen has confirmed that the Fed is planning to gradually tighten its monetary policy over the next few months. She is waiting for the labour market to continue to improve and for inflation to rise towards the central bank's 2 % target.

Retail sales figures seem particularly interesting. Sales increased by 3% as a 1-year moving average, a satisfactory figure that is very important for GDP since consumption accounts for two-thirds of GDP. The breakdown of retail sales provides even more interesting information: the sales growth differential between traditional retailing and e-commerce was extremely significant: the former declined by 1.7% while the latter grew by 10.2%. These differentials are reflected in stock performances, as many traditional retailers hit new lows in May with declines exceeding 15% over the month; this was the case with Nordstrom, Kohls, Staples, Macy's and Target. Conversely, Amazon, the e-commerce leader, hit new highs. All in all, we therefore remain very confident about the on-line theme, a theme that has been emphasised in the Indosuez Funds - America Opportunities fund since its launch.

## INVESTMENT THEMES :

### GENERIC HEALTHCARE THEME :

Healthcare spending is growing structurally faster than US growth for demographic reasons. This sector is highly dependent on patents, but these have drawbacks (R&D spending, legal risks, etc.), which is why we prefer healthcare groups that have low or no exposure to patents.

Our bets: CVS Health, ICON, Aetna, Medtronic, Intuitive Surgical and Edwards Lifesciences.

### ONLINE THEME :

Internet sales continue to grow by around 10% annually, but they still account for less than 10% of consumer purchases in the US and even less than 2% in the BRIC countries. Consumers favour the internet for accessing a broader range of goods, for finding the best prices and for its ease of use. The development of mobile internet is rapidly making e-commerce even easier to access. These underlying trends are leading to a shift of advertising spending, which is increasingly switching to the internet, and more particularly to mobile internet.

For these reasons, we are playing: Amazon, Domino's Pizza, Priceline.com, Alphabet, Apple, Facebook, NXP Semiconductors, Broadcom, Check Point, Nvidia and Fedex.

### PAYMENTS THEME :

The dematerialisation of money is an underlying, structural trend. While more than 50% of transactions are already dematerialised in the United States, 85% of payments worldwide are still made in cash or by cheque.

For these reasons, we are playing: Visa, Mastercard, Vantiv, Equifax and Fiserv.

Class*	Investors	Currency	Distribution	ISIN	Telekurs	MF**	SF***	DF****	RF***
P	All clients	USD	Accumulation	LU1073904135	24.580.357	1.70%	3.00%	nil	1.00%
PX	All clients	USD	Distribution	LU1073904309	24.580.361	1.70%	3.00%	nil	1.00%
NL	All clients	USD	Accumulation	LU1073904564	24.580.372	1.70%	nil	1.00%	1.00%
NLX	All clients	USD	Distribution	LU1073904721	24.580.377	1.70%	nil	1.00%	1.00%
C	All clients	USD	Accumulation	LU1213841833	27.712.671	2.00%	4.00%	nil	nil
CE	All clients	EUR	Accumulation	LU1213842054	27.714.993	2.00%	4.00%	nil	nil

\* Not all classes are available in every country. If you are an investor, please contact your advisor for more information

\*\* MF : Management Fees (annual rate), outperformance fee not included

\*\*\* SF / RF : Subscription Fee / Redemption Fee, maximum rate

\*\*\*\* DF : Deferred Fee *pro rata temporis*

## DISCLAIMER

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Luxembourg: CA Indosuez Wealth (Asset Management), 31/33 avenue Pasteur, L-2311 Luxembourg;  
CA Indosuez Wealth (Europe), 39 allée Scheffer, L-2520 Luxembourg  
Belgium: CA Indosuez Wealth (Europe), Belgium Branch, Chaussée de La Hulpe, 120 B-1000 Bruxelles  
Spain: CA Indosuez Wealth (Europe), Sucursal en España, Paseo de la Castellana 1, 28046 Madrid, Avenida de la Libertad, 20004 San Sebastian, Gran Via 42, 48011 Bilbao, et Don Juan de Austria, 46002 Valencia

Italy: CA Indosuez Wealth (Europe), Italy Branch, Piazza Cavour 2, I-20121 Milano  
France: CA Indosuez Wealth (France), 17 rue du Docteur Lancereaux, 75382 Paris cedex 08  
Switzerland: CA Indosuez (Switzerland) S.A., 4 quai Général Guisan, 1204 Genève  
Monaco: CFM Indosuez Wealth, 2 rue des Princes, 98000 Monaco